

WHEREAS, because many public officials serve on a part-time basis, it is inevitable that conflicts of interest and appearances of conflict will occur. Often these conflicts are unintentional and slight, but at every turn those who represent the people of this State must be certain that it is the interests of the people, and not their own, that are being served. Officials should be prepared to remove themselves immediately from decisions, votes, or processes where even the appearance of a conflict of interest exists; and

WHEREAS, the State of North Carolina is committed to the responsible exercise of authority by persons of honor and good will in their government, by adopting a stronger procedure to prevent the occurrence of conflicts of interest in government and to resolve conflicts when they do occur.

NOW, THEREFORE, by the power vested in me as Governor by the Constitution and laws of the State of North Carolina, IT IS ORDERED:

Section 1. Rescission of Executive Order No. 127, as amended.

Executive Order Number 127, dated January 16, 1998, and all subsequent amendments thereto, including Executive Order 131 dated March 25, 1998, are hereby rescinded. All records, including Statements of Economic Interest and other resources of the North Carolina Board of Ethics created pursuant to Executive Order Number 127, as amended, are transferred to the North Carolina Board of Ethics created herein.

Section 2. North Carolina Board of Ethics – Creation & Term of Service

There is hereby established the North Carolina Board of Ethics ("the Board"). The Board shall consist of seven persons appointed by the Governor. To provide for staggered terms, the Governor shall appoint three members to serve initial terms of two years, two members to serve initial terms of three years, and two members to serve initial terms of four years. Thereafter, each member shall serve a term of four years. No member shall be removed from the Board absent misfeasance, malfeasance, or nonfeasance as determined by the Governor. The Governor shall, from time to time, designate one of the members as Chair. The members shall receive no compensation, but shall receive reimbursement for any necessary expenses incurred in connection with the performance of their duties pursuant to North Carolina law and procedure. Vacancies on the Board shall be filled for the remainder of the term by appointment of the Governor.

Section 3. Persons Subject to this Executive Order

The following persons are subject to this Executive Order and to the jurisdiction of the Board and shall hereafter be referred to as "Public Officials":

- (a) All employees in the Office of the Governor.